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C O N F I D E N T I A L SECTION 01 OF 04 SUVA 000266

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SUBJECT: FIJI, TONGA, KIRIBATI, NAURU, AND TUVALU: A STATUS  
REPORT

REF: SUVA 250 (AND PREVIOUS)

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Classified By: Amb. Dinger. Sec. 1.4 (B,D).

#### Summary

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11. (C) The five small Pacific nations within Embassy Suva's bailiwick all are of interest to the United States, not least because each has a vote in the UNGA. In Fiji, Commodore Bainimarama's December 2006 coup has discolored the bilateral relationship. He is frustrated at not achieving legitimacy, but has yet not shown anxiety for an exit strategy. Continued international pressure coupled with encouragement of inclusive political dialogue are the best available options to encourage a rapid return to democracy. In Tonga, a transition from monarchy to more democratic governance is under way, with USG encouragement, though details will be dicey. Mil/mil relationships with the Tonga Defense Services (TDS) have strengthened via repeated TDS deployments to Iraq. In Kiribati and Tuvalu, needs are great, resources are scant, climate change is a huge worry, and opportunities exist for more USG activity, ideally the return of Peace Corps to both. Nauru, currently a basket case, needs help to steer possible new phosphate wealth into a more stable future. Across the Pacific, the China/Taiwan competition injects development funds but also feeds corruption. Embassy Suva, a regional hub, is well-placed and increasingly well-resourced to play useful roles across a spectrum of USG interests in the Pacific. End summary.

#### Fiji IG hypocritically strives for legitimacy

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12. (C) Nineteen months after the December 2006 Fiji coup, Bainimarama's interim government (IG) still has not achieved legitimacy. The IG blames the international community, particularly Australian, New Zealand, and to a lesser extent U.S. visa sanctions, for its failure to "move the country forward." There is some truth to that -- visa sanctions have made it more difficult for the IG to attract talent -- but the IG mostly has its own self to blame. Bainimarama claims to champion good governance, defend the Constitution, and aspire to a non-racial, corruption-free Fiji. In reality, the military-led IG has practiced crony-ism, intimidated opponents via human-rights violations, orchestrated numerous presidential decrees that ignore the Constitution, corrupted the judiciary, done nothing to integrate ethnic Indians into the nearly 100% ethnic-Fijian military, failed to permit investigation of past graft within the military while setting

up new channels for same, and frustrated foreign investors and the tourism industry. Hypocrisy has reigned, and the public has noticed.

#### Bainimarama's "clean up" versus an election

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13. (C) Despite the IG's lack of success, Bainimarama has insisted that he will only return executive authority to civilians when a thorough "clean up" has transformed Fiji into a non-racist, corruption-free nirvana, seemingly a very long-term process. Thus, it surprised many when the Commodore pledged to Pacific Island Forum leaders in Tonga last October that the IG would organize free and fair elections under the Constitution in March 2009 with all parties able to participate and with the military to abide by the results. Ever since, though, the IG has actively looked for ways to slow progress toward the elections. Picking a new Election Commission took months; choosing a Supervisor of Elections took even longer; election-preparation money didn't flow. And 16 months after the coup the IG's National Council for Building a Better Fiji (NCBBF) suddenly concluded, based on Election Commission advice, that Fiji's election process (embedded in the Constitution) is too race-based to allow a free election. Bainimarama said: if no reform, no election.

#### A slim hope for political dialogue

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14. (C) It has been very difficult to see light at the end of the tunnel. One hope, however slim, has been to bring Bainimarama into dialogue with other Fiji political leaders in the thought that talk, in itself, can sometimes create a degree of empathy, begin to build bridges, and engender constructive compromises. In the past two months, Bainimarama has met twice with deposed PM Qarase, at the

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urging of Methodist and Catholic leaders. Both meetings consisted of Bainimarama lecturing, not at all negotiating. Still, the IG recently indicated to an EU Troika team some willingness to convene an inclusive, consensus-based dialogue. A visit by New Zealand's Sir Paul Reeves this week will test the parameters. Since most observers believe any free and fair election would go heavily against the IG, we judge it unlikely that dialogue will lead to a rapid return to democracy.

#### The RFMF's role: coups and PKOs

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15. (C) The Republic of Fiji Military Forces (RFMF) are a frustration. The U.S. has long valued RFMF roles in peacekeeping operations such as Lebanon, the Sinai, and UNAMI in Iraq. Fiji soldiers, big, capable, and charming, have an excellent PKO reputation. On the other hand, ever since Col. Rabuka's coups in 1987, RFMF leaders have involved themselves in domestic politics to the nation's detriment. Bainimarama and his close advisors have no special talent for governance, and Fiji is suffering -- politically, economically, and socially. The racial rift between indigenous Fijians and Indians is wider, deeper, and more dangerous now than before the 2006 coup, when May 2006 elections had resulted in a multi-party cabinet and optimism was briefly in the air. The USG has suspended its military relationship with the RFMF, though RFMF participation in MFO Sinai and UNAMI continue out of necessity.

#### What's to be done?

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16. (C) With no stellar options, the USG should encourage the concept of an inclusive, consensus-based political dialogue, so long as such talk does not needlessly delay election of a new, legitimate government. The IG's failure to achieve legitimacy has to be frustrating. Maybe, just maybe, Bainimarama is starting to look for new options. He has shown in the past he can change his mind dramatically when he sees the need. He happily exploits signs of weakness; but he respects strength. Thus, international pressure for the RFMF

to return to the barracks should continue, accenting that the IG's present course is wrong-headed. Continued pressure also encourages Fiji's pro-democracy advocates to keep their own voices raised. Inevitably, the "immunity" issue will arise. If granted, it would encourage the RFMF to retreat; unfortunately, it would also, in effect, encourage RFMF leaders to contemplate coups yet again in the future. When democracy returns and coup sanctions recede, we need to find effective ways to convince the next generations of RFMF leaders to accept civilian leadership permanently. No more coups.

#### Political reform under way in Tonga

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¶7. (C) Political reform in Tonga is progressing, with USG encouragement. April election results returned prominent pro-democracy activists to parliament, despite intense efforts by PM Sevele to paint those activists as criminal rioters. Immediately thereafter, Sevele started talking with pro-democracy leader Pohiva, a positive sign. The King has made clear to us that he sees the need for meaningful reform to more democratic governance ASAP. He agrees with our assessment that the monarchy can either lead reform or will be led by it. If a spirit of cooperation can prevail in ongoing negotiations for a plan to give People's Representatives control of parliament with the King becoming an "on advice" monarch, Tonga can truly transform itself by 2010. Still, the People's Reps lack experience in power, and the transition could be bumpy.

#### Encouraging the TDS: PKO abroad; benign role at home

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¶8. (C) Beyond political processes, U.S. interests in Tonga include military (TDS) participation in international peacekeeping, particularly with the Coalition of the Willing in Iraq. The mil/mil relationship is solidifying with each deployment. In the lead-up to political change, it will be important to encourage TDS leadership, traditionally conservative and wedded to the monarchy, not to take sides domestically beyond helping to ensure a peaceful transition of power. Also worth noting: the perspective of the pro-democracy movement about TDS participation in PKO is not

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yet tested, though past deployments have engendered no protests in the streets.

#### Kiribati needs help: Peace Corps role?

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¶9. (C) Kiribati, geographically huge but dramatically under-resourced, straddling the equator for 3000 miles with a total population of 100,000, cannot sustain itself. Fiscal austerity and outside aid are essential. The U.S. has played a small but very useful role via a much-appreciated Peace Corps program. Unfortunately, the unreliability of the Kiribati domestic airline brought a recent decision by Peace Corps HQ to close the program because of health and safety concerns. Kiribati has generally been a good friend of the U.S., though a few years ago it permitted establishment of a PRC satellite-tracking station on Tarawa -- since removed when Kiribati shifted relations to Taiwan. The U.S. should explore ways to build new ties and should resuscitate Peace Corps there as soon as safety permits. The 65th anniversary of the WWII Battle of Tarawa in November will be an opportunity to reconfirm we still value the relationship. Climate change is a huge issue for Kiribati. The highest point on Tarawa is a low bridge between islets. President Tong is already talking with New Zealand about finding a new homeland for his people when atolls become inundated.

#### Nauru a basket case with a future?

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¶10. (C) The tiny Republic of Nauru, population 10,000, is an island once layered thickly with easily-mined phosphates. It may hold the record for biggest plunge in wealth. After building reserves to around \$2 billion, profligacy,

mis-management, and seeming exhaustion of phosphate resources resulted in a catastrophic decline, with debt now around \$1 billion. The recent discovery of a new sub-surface layer of phosphates brings some hope; and politicians say the right things about saving for the future this time rather than spending today. But today is difficult to resist, and leaders are already fighting among themselves over who will control budget flows. Nauru's fate depends much on its relationship with former colonial master Australia, by far the biggest donor there, though Taiwan also counts. The U.S. urges good-governance themes.

#### Tuvalu's Peace Corps prospect?

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¶11. (C) Tuvalu is another tiny nation with a population of 10,000 and a vote in UNGA, which it frequently casts with the U.S. Like Kiribati it is under-resourced, highly dependent on aid, and significantly threatened by climate change. Tuvalu had an extremely popular Peace Corps program that ended in 1998 only because the Fiji program, which also administered Tuvalu, closed. Tuvalu's needs continue, and the re-opening of Fiji's Peace Corps program has offered an inexpensive opportunity to re-invigorate the link if resources permit.

#### The China/Taiwan complication

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¶12. (C) Of the five nations covered by Embassy Suva, three (Kiribati, Nauru, and Tuvalu) recognize Taiwan and two (Fiji and Tonga) recognize the PRC. Kiribati, Nauru, and Tonga have all switched allegiance at least once in the past ten years. The China-Taiwan competition has brought significant amounts of aid to the small Pacific nations. Both China and Taiwan have constructed public buildings, instituted innovative farming projects, etc. Both have also injected cash into political processes, often with loose accounting requirements, thus feeding mis-allocation of resources and corruption. The USG has urged both China and Taiwan to take "responsible stake-holder" attitudes and encourage good governance.

#### USG interests

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¶13. (C) Embassy Suva is developing into a solid platform for USG engagement in the South Pacific. Nations are small, but 12 regional UNGA votes are important to USG interests. Other players like China, Venezuela, Cuba, even Turkey are cultivating island leaders. Economically, the U.S. values fish, and has a modest level of investment (Fiji Water for instance). The recent additions in Suva of regional

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environmental and public-diplomacy offices are already contributing markedly to relationships. Inevitably, political developments in Fiji and Tonga will require much Embassy attention, at least until the Fiji military comes to accept it must play a limited domestic role and until the Tonga monarchy cedes political control to democratic elements.

¶14. (C) Even with very modest assistance assets, the USG plays useful roles: encouraging island leaders toward good governance; collaborating with Australia, New Zealand, the EU, and regional organizations on a range of security, environmental-protection, democracy-promotion, and other global issues; convincing island nations to vote our way in multilateral fora; assisting international PKO participation; etc. With more assets, such as a resumed USAID presence or creative small-state Millennium Challenge programs, Embassy Suva could do still more to buttress important USG interests in the Pacific.

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